



United States Senator
Richard Shelby
REPORTS TO ALABAMA



THE TAX MAN COMETH

By: Senator Richard Shelby

"The tax man cometh" – I first spoke those words in 1993 and as the April 15th tax filing deadline looms, I have no doubt that millions of Americans are uttering those same words. The sheer complexity of the tax code coupled with the intimidating mounds of paperwork necessary to complete tax forms makes most taxpayers long for a simpler, less burdensome system for paying their taxes.

Today our tax code and its regulations total more than 54,000 pages which are complex, confusing and costly to comply with. A glaring example of this complexity is a finding by the Inspector General that 19 out of 23 income tax forms completed and filed by IRS employees on behalf of low-income families, were erroneous. If the IRS, the very federal agency charged with interpreting and enforcing our nation's tax laws, has an 80% failure rate, how can we expect the American people to understand the tax code, much less file error free forms? The answer is – we can not.

To expect more of taxpayers than can be delivered by the IRS is absurd. And maintaining the current system

only contributes to the absurdity. If Americans want a simpler, less burdensome system for paying their taxes we must reform the entire system. I believe that this can and should be done by enacting a flat tax.

The flat tax legislation that I have proposed would repeal the current Internal Revenue Code and replace it with a single, flat tax rate that would apply to all taxpayers. This means that all earnings would be taxed at an equal rate – seventeen percent. Under my flat tax legislation, there will be no more unfair special interest deductions, unclear provisions, or painstaking forms to complete. The flat tax simplifies every part of the taxpaying process, while providing a more fair system for all Americans.

In place of itemized deductions that often favor special interest groups, my flat tax proposal would give each taxpayer a generous standard deduction of \$12,790, or \$25,580 in the case of joint filers. Taxpayers would receive an additional \$5,510 standard deduction for each dependant. Therefore, a family of four would need to

earn over \$36,600 before they would pay a single penny of taxes.

A flat tax also dramatically simplifies complicated IRS forms and instruction manuals by requiring taxpayers to file a simple postcard size return. This form is easily completed in minutes without the use of expensive professional assistance. While we all dread paying taxes, imagine how much easier it would be if the form were no bigger than a postcard.

As the footsteps of the tax man draw near, I am compelled to say, as I have since 1984, that I believe it is time that the United States Congress seriously consider comprehensive tax reform. While I support lower taxes for all Americans, proposed amendments to the current tax code only perpetuate the complexities and inequalities of the current system. The flat tax would not only simplify the tax code so that all taxpayers could easily complete their own returns, more importantly, it would treat all Americans equally. Only by treating every taxpayer equally can our tax code ever achieve true fairness.